



City of Morgan Hill

City Council Staff Report

File #: 15-080, Agenda Date: 3/18/2015, Version: 1

CITY COUNCIL STAFF REPORT **MEETING DATE: MARCH 18, 2015**

PREPARED BY: Andrew Crabtree, Community Development Director
APPROVED BY: City Manager

COUNTY OF SANTA CLARA AND OPEN SPACE AUTHORITY APPLICATION FOR STRATEGIC GROWTH COUNCIL FOR SUSTAINABLE AGRICULTURAL STRATEGY GRANT

RECOMMENDATION(S):

1. Adopt Resolution in support of the County of Santa Clara and Open Space Authority Application for Strategic Growth Council for a Sustainable Agricultural Strategy Grant; and
2. Direct staff to communicate to the Open Space Authority and County the City Council's understandings for supporting the grant application; and
3. Direct staff to participate in the development of the Southern Santa Clara County Sustainable Agricultural Lands Policy Framework, should such an effort proceed, with the goal of maintaining compatibility between the Framework and the City of Morgan Hill General Plan, Southeast Quadrant Land Use Plan, and Agricultural Lands Preservation Program; and
4. Encourage the County and Open Space Authority to formally invite the Santa Clara County Farm Bureau as a Project Partner to strengthen the grant application and framework development process.

COUNCIL PRIORITIES SUPPORTED:

Ongoing Priorities

Protecting the environment

NARRATIVE:

Santa Clara County Planning staff has requested that the City of Morgan Hill adopt a Resolution in support of their joint application with the Open Space Authority to the Strategic Growth Council for a Sustainable Agricultural Strategy Grant.

Background

On January 20, 2015, the State of California's Strategic Growth Council adopted new grant guidelines for the *Sustainable Agricultural Lands Conservation Program (SALCP)* www.sgc.ca.gov/s_salcpprogram.php <http://www.sgc.ca.gov/s_salcpprogram.php> . The SALCP is intended to support the State's greenhouse gas (GHG) emission goals contained in AB 32 by making strategic investments to protect agricultural lands. The SALCP Guidelines address both agricultural

conservation easements and planning grant funding, including short term grants to counties, cities and partners to inventory and evaluate which agricultural lands are most highly productive and critically threatened and develop locally appropriate strategies, programs and actions to ensure the long term protection of those lands.

The County/Open Space Authority grant application, which is due March 20, 2015, is for a \$100,000 planning grant to develop a "Southern Santa Clara County Sustainable Agricultural Lands Policy Framework, an integrated mapping, modeling and policy framework that will support strategic investment in agricultural land protection and agricultural viability to implement climate adaptation and greenhouse gas (GHG) emission goals."

The County and the Open Space Authority intend for the plan to cover the South Santa Clara area from Coyote Valley to the Pajaro River/San Benito County border. Key project tasks would include:

- 1) Use mapping and modeling to identify, prioritize and protect the most critical urban edge farmlands in the study area and to assess the GHG benefits of agricultural lands; and
- 2) Development of a Policy Framework to align existing and future agricultural land use policies, programs and plans of the County, Morgan Hill, Gilroy, San Jose and LAFCO to foster interagency collaboration and support climate adaptation and GHG emissions goals, as well as to support greater access to local food, healthy communities, agricultural tourism and increased rural economic development.

County Planning staff have communicated that the planning process would be led by the County, the Open Space Authority, and American Farmland Trust, but would include input from local jurisdictions, non-profits, and representatives of the agricultural sector, through an Advisory Group.

The County and the Open Space Authority are proposing to focus on the protection of "critical agricultural lands" from conversion to urban or rural residential development in order to promote smart growth within existing jurisdictions, to protect open space and to support a local agricultural economy with the goals of promoting food security and addressing "challenges occurring and anticipated as a result of climate change".

Analysis

The City of Morgan Hill has through its General Plan, Southeast Quadrant Land Use Plan, and Agricultural Lands Preservation Program established a commitment to the preservation of agricultural lands within the City's Sphere of Influence. The Agricultural Lands Preservation Program further identifies a specific priority area for the preservation of agricultural lands within the City's Southeast Quadrant. The City Council has also previously directed staff to work cooperatively with other local partners, such as Santa Clara County staff and the Open Space Authority to further develop and implement the City's goals for agricultural preservation. The City's General Plan currently identifies some agricultural lands at the City's near periphery for future development to meet various City goals, while supporting the permanent preservation of other agricultural lands.

The City is also in the midst of a comprehensive update of its General Plan, including possible changes to General Plan land use diagram. The City recently identified a Preferred Land Use Plan which is being used as the basis for the preparation of an Environmental Impact Report for the

General Plan Update. The Preferred Land Use Plan has been developed through an extensive community-based planning process, including input from the general community, General Plan Advisory Committee, Planning Commission and City Council. The Preferred Land Use Plan anticipates the potential conversion of some agricultural lands within the City's Sphere of Influence to meet the City's long-term housing needs, while also strengthening the City's commitment to preservation of other lands. The proposed Sustainable Agricultural Lands Policy Framework should be coordinated with the City of Morgan Hill General Plan Update (including revisions to the City's Residential Development Control System) process so that the two support a compatible set of land use policies and actions.

Based upon the City's objective to balance permanent agricultural land preservation within the City's vicinity with other community priorities and the City's ongoing commitment to a collaborative approach with other regional partners to work toward agricultural preservation, staff recommends that the City Council adopt a resolution in support of the grant application as requested by County staff with the following understanding:

1. That the City be an active participant in that effort in order to insure that the envisioned Policy is compatible with the City's existing General Plan land use diagram, goals, and policies and changes that are anticipated to be adopted in fall 2016 (including revisions to the City's Residential Development Control System), the Southeast Quadrant Land Use Plan, and also the City's Agricultural Lands Preservation Program.
2. That representatives from the Morgan Hill farm community are invited as active participants from the beginning of this process, including being part of the advisory group and technical advisory panel so that the preservation effort reflects today's farming realities.
3. That preserving existing agriculture lands that are capable of supporting long-term, viable agriculture be a focus of the efforts throughout the study area with the recognition that development of agricultural lands in close proximity to existing development may be beneficial to achieve the overall preservation goal.
4. That supporting and participating in this process is meant to augment (and not inhibit or delay) the City's current agricultural lands preservation efforts, Southeast Quadrant Land Use Plan, and General Plan land use planning, including the City's plans to sensitively develop some agricultural lands adjacent to the City's border for residential, recreational, and commercial uses, from a content, process, and timeline perspective.

Furthermore, staff strongly recommends that the County and Open Space Authority formally invite the Santa Clara County Farm Bureau as a Project Partner to strengthen the grant application and framework development process.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The proposed grant application has not been previously discussed by either the City Council or a City commission. The City Council and Planning Commission have conducted numerous public hearings related to the development of an Agricultural Lands Preservation Program and Southeast Quadrant Land Use Plan. Additional information is available on the City's website at:

<http://www.morgan-hill.ca.gov/670/Southeast-Quadrant>

FISCAL AND RESOURCE IMPACT:

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The City's endorsement of the proposed grant is not expected to have any direct fiscal impact upon the City. City staff funded through the City's Long-range Planning / General Plan Update fund (Fund 207) is currently funded to participate in the development of land use policy documents; including participation in the County's proposed policy development should it proceed.

CEQA (California Environmental Quality Act):

Choose an item.

Statutory Exemption: 15262 Planning Studies

LINKS/ATTACHMENTS:

1. Request from County
2. Resolution

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL SUPPORTING THE COUNTY OF SANTA CLARA AND SANTA CLARA COUNTY OPEN SPACE AUTHORITY IN APPLYING FOR GRANT FUNDS FROM THE CALIFORNIA SUSTAINABLE AGRICULTURAL LANDS CONSERVATION PROGRAM IN ORDER TO PREPARE A SUSTAINABLE AGRICULTURAL LAND STRATEGY PLAN

WHEREAS, the Legislature and Governor of the State of California (“State”) have provided funds for the California Sustainable Agricultural Lands Conservation Program; and

WHEREAS, the State’s objectives with these funds are to reduce greenhouse gas emissions by creating more compact, infill development patterns, encouraging active transportation and mass transit usage, and protecting agricultural lands; and

WHEREAS, the California Department of Conservation has been delegated the responsibility for the administration of this grant program on behalf of the Strategic Growth Council, establishing necessary procedures; and

WHEREAS, the County of Santa Clara (“County”) and the Santa Clara County Open Space Authority (“Authority”), in partnership, are applying for grant funding to carry out development of a Sustainable Agricultural Land Strategy Plan; and

WHEREAS, the proposed Sustainable Agricultural Land Strategy Plan is intended to foster interagency collaboration between the County, Cities of Gilroy, Morgan Hill, San Jose, and LAFCO to align existing and future agricultural land use policies, programs and plans in supporting climate adaptation and greenhouse gas (GHG) emission goals through agricultural land protection; and

WHEREAS, participation in the preparation of the proposed Sustainable Agricultural Land Strategy Plan will provide an opportunity for the City of Morgan Hill to provide input on how the Plan may be developed in a manner consistent with the City’s General Plan while also continuing the City’s commitment to regional cooperation in the development of such policies; and

WHEREAS, a request from the County of Santa Clara and the Open Space Authority to support a proposed grant application for a Strategic Growth Council Sustainable Agricultural Strategy Grant was considered by the City Council at their regular meeting of March 18, 2015; and

WHEREAS, non-binding planning activities including the preparation of plans is considered to be statutorily exempt pursuant to the California Environmental Quality Act (Section 15262); and

WHEREAS, the City Council received testimony and other materials related to this proposed action at a duly-noticed public hearing of the Council, which the Council has considered in the review process of this action;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES RESOLVE AS FOLLOWS:

SECTION 1. The proposed action is consistent with the provisions of the General Plan, including the following General Plan Policies and Actions:

Agriculture Policy 3a: Support programs and techniques, including conservation easements and purchase of development rights to encourage the retention of agricultural activities and to minimize conflicts in the transition from agriculture to urban uses.

Agriculture Policy 3g: Continue to support the long-term maintenance of agricultural land uses and agriculture as an economic enterprise in South County, since it contributes to the local economy, helps to delineate urban boundaries, and is a productive use for land which is not immediately planned for urban development.

Agriculture Action 3.1: Use a variety of techniques to protect agricultural land, including land use regulation, urban development policy, conservation easements (with matching grant funds from appropriate agencies, where possible), and transfer or purchase of development rights.

Preparation of a Sustainable Agricultural Land Strategy Plan for southern Santa Clara County, including the participation of the City of Morgan Hill, would directly implement the above listed policies which support the preparation of such plans.

SECTION 2. The City Council of the City of Morgan Hill supports the joint application with the following understanding:

1. That the City be an active participant in that effort in order to insure that the envisioned Policy is compatible with the City's existing General Plan land use diagram, goals, and policies and changes that are anticipated to be adopted in fall 2016 (including revisions to the City's Residential Development Control System), the Southeast Quadrant Land Use Plan, and also the City's Agricultural Lands Preservation Program.
2. That representatives from the Morgan Hill farm community are invited as active participants from the beginning of this process, including being part of the advisory group and technical advisory panel so that the preservation effort reflects today's farming realities.
3. That preserving existing agriculture lands that are capable of supporting long-term, viable agriculture be a focus of the efforts throughout the study area

with the recognition that development of agricultural lands in close proximity to existing development may be beneficial to achieve the overall preservation goal.

4. That supporting and participating in this process is meant to augment (and not inhibit or delay) the City's current agricultural lands preservation efforts, Southeast Quadrant Land Use Plan, and General Plan land use planning, including the City's plans to sensitively develop some agricultural lands adjacent to the City's border for residential, recreational, and commercial uses, from a content, process, and timeline perspective.

5. That the County and Open Space Authority formally invite the Santa Clara County Farm Bureau as a Project Partner to strengthen the grant application and framework development process.

SECTION 3. The City Council of the City of Morgan Hill hereby indicates its support of a joint application of the County of Santa Clara with the Santa Clara County Open Space Authority to the Strategic Growth Council for a Sustainable Agricultural Strategy Grant.

PASSED AND ADOPTED THIS 18th DAY OF MARCH 2015, AT A REGULAR MEETING OF THE CITY COUNCIL BY THE FOLLOWING VOTE:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSTAIN: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:

ATTEST:

APPROVED:

IRMA TORREZ, City Clerk

STEVE TATE, Mayor

❧ CERTIFICATION ❧

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Ordinance No. _____, New Series, adopted by the City Council of the City of Morgan Hill, California at its regular meeting held on the _____ day of _____, 2015.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

IRMA TORREZ, City Clerk

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSTAIN: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:

ATTEST:

IRMA TORREZ
City Clerk



County of Santa Clara
Department of Planning and Development

75323

DATE: March 24, 2015
TO: Board of Supervisors
FROM: Kirk Girard, Acting Planning Director
SUBJECT: Sustainable Agricultural Lands Conservation Grant

RECOMMENDED ACTION

Adopt Resolution approving delegation of authority to Director, Department of Planning and Development, to submit Grant Application to California Sustainable Lands Conservation Program relating to grant funding for development of a Southern Santa Clara County Sustainable Agricultural Lands Policy Framework, in an amount not exceeding \$100,000, for FY 2016.

FISCAL IMPLICATIONS

The grant proposal will have minimal impact on the General Fund. The grant program requires a 10% match using local funds. The Santa Clara County Open Space Authority is partnering with the County on this proposal and will provide the 10% match funding.

CONTRACT HISTORY

n/a

REASONS FOR RECOMMENDATION

The proposed Southern Santa Clara County Sustainable Agricultural Lands Policy Framework to be implemented using the grant funding will address two important goals – (a) Climate Action (reduction of greenhouse gas emissions / climate adaptation) and (b) preservation of important farmlands. The County has adopted numerous policies and ordinances that support both of these goals.

Climate Action

Climate change, driven principally by greenhouse gas emissions, poses a serious threat to the environment, natural resources, public health, national and domestic security, and social and economic well-being. The County adopted a Climate Action Plan for Operations and Facilities in September, 2009, and the Office of Sustainability is currently finalizing the Silicon Valley 2.0 project, that includes a regional approach to Climate action,

incorporating a Decision Support tool and a Climate Adaptation Strategic Guide. The County has pursued numerous other climate action related initiatives, including the Renewables for Revenues program and the Green Building Ordinance.

Farmland Preservation

Preservation of important farmlands in Santa Clara County is central to the rural land use policies within the Santa Clara County General Plan. These policies, encapsulated within the County's Agricultural zoning districts and policies R-RC57 through R-RC 66, focus on the preservation and enhancement of the agricultural lands and industry, namely in southern Santa Clara County. These policies are reinforced through the County's implementation of the Williamson Act program, which uses tax incentives and contracts to preserve commercial agricultural lands. Currently there are approximately 2,857 parcels and 336,494 acres preserved under Williamson Act contracts.

Sustainable Agricultural Land Conservation Program

Funded through the Greenhouse Gas Reduction Fund, the Sustainable Agricultural Lands Conservation Program is administered by the Department of Conservation and provides grant funding to plans and conservation acquisitions in order to avoid increases in greenhouse gas emissions associated with agricultural lands, consistent with AB 32. Up to \$1,000,000 in FY 2015 is allocated to grants for Sustainable Agricultural Land Strategy planning efforts, and individual grants are limited to \$100,000 each. There must be a minimum ten percent (10%) local match. The application is due by March 20, 2015. The program allows for the grant application to be initially be submitted for the March 20th deadline with subsequent resolution adoption by the Board of Supervisors.

Proposed Southern Santa Clara County Sustainable Agricultural Lands Policy Framework

Acquisition of the grant funding from the Sustainable Agricultural Lands Conservation Program would fund the preparation of a Southern Santa Clara County Sustainable Agricultural Lands Policy Framework. The goal of this program would be to create an integrated mapping, modeling and policy framework that will support strategic investment in agricultural land protection and agricultural viability to implement climate adaptation and greenhouse gas (GHG) emission goals in Southern Santa Clara County. The area of coverage includes the Coyote Valley South to the Pajaro River/San Benito County Border. The two key sub-tasks of the program include

- Use mapping and modeling to identify, prioritize and protect the most critical urban edge farmlands in Southern Santa Clara County and assess the GHG benefits of the County's agricultural lands.

- Develop an innovative and integrated Sustainable Agricultural Policy Framework for Southern Santa Clara County that aligns existing and future agricultural land use policies, programs and plans of the County, Cities of Gilroy, Morgan Hill, San Jose, and LAFCO to foster interagency collaboration and support climate adaptation and greenhouse gas (GHG) emission goals.

The County Department of Planning and Development would administer the program, and contract with the Santa Clara County Open Space Authority to provide support staffing services for several of the work plan needs.

Through this process, the County will intend to develop a comprehensive strategy in partnership with the three Cities (Gilroy, Morgan Hill, San Jose), LAFCO, the Open Space Authority, Agricultural interests (Farm Bureau) and other key stakeholders that targets and preserves key agricultural areas adjacent to the Cities for preservation. As both the cities of Morgan Hill and Gilroy are preparing major updates to their General Plans, it is envisioned that the policies and approaches resulting from this program would be available for integration into these policy documents.

Planning and Development staff has already begun collaboration with Morgan Hill staff on the topic of agricultural preservation, specifically regarding lands within the Southeast Quadrant area adjacent to the City, in relationship to Morgan Hill's Southeast Quadrant project. Through this collaboration, there has been a continued desire from both Morgan Hill, the County, and LAFCO staff, to work collaboratively on an approach that ensures agricultural preservation within the Southeast Quadrant. This proposed program will move these initial efforts further forward.

Grant Requirements

Application for the Grant funding requires that the Applicant (County) comply with the assurances and certification of the Grant Program and that the Applicant work towards the Governor's State Planning Priorities (Government Code Section 65041.1) in implementing the funded program. Staff has reviewed both of these requirements (Attachment __) and determined that the County can comply with these provisions and that the proposed program and the County's adopted policies align with the Priorities listed.

CHILD IMPACT

The recommended action will have no/neutral impact on children and youth.

SENIOR IMPACT

The recommended action will have no/neutral impact on seniors.

SUSTAINABILITY IMPLICATIONS

The recommended action will have positive sustainability implications but applying for grant funding to prepare a program that preserves agricultural lands and reduces greenhouse gas emissions associated with agricultural land conversion. Numerous additional sustainability benefits would come from adoption and implementation of the Sustainable Agricultural Lands Policy framework, including regional food security and protection of groundwater resources and regional ecological systems.

BACKGROUND

The California Sustainable Agricultural Lands Conservation Program (SALCP) provides funding for plans and conservation acquisitions to avoid increases in greenhouse gas emissions associated with agricultural lands. SALCP is proposing an additional program element to incentivize land management practices that lead to additional reductions of greenhouse gasses.

Conserving and managing agricultural land can reduce greenhouse gasses by:

- Encouraging focused, efficient land development within established growth boundaries.
- Reducing greenhouse gas emissions and increasing soil carbon sequestration through conservation management practices.

The California Department of Conservation administers the SALCP grant program, awarding monies up to \$100,000 to eligible jurisdictions (from a total pool of \$1,000,000) for Fiscal Year 2016. Eligible jurisdictions will be expected to identify and evaluate their most important or critically threatened agricultural lands, and identify strategies to protect these lands into the future.

The program complements existing agricultural preservation programs such as Williamson Act, and California Farmland Conservancy Program.

The Planning Office would be partnering with the Santa Clara County Open Space Authority, and the Santa Clara County Farm Bureau on evaluating agricultural land developing suitable conservation strategies.

CONSEQUENCES OF NEGATIVE ACTION

The County would be ineligible for grant monies, reducing the ability for the Planning Office to take on these efforts in a timely fashion.

STEPS FOLLOWING APPROVAL

The Director of Planning and Development will submit the grant application to the State. If the grant is awarded, the Director will enter into an agreement with the State regarding administration of the funds.

ATTACHMENTS:

- Resolution
- Grant Application
- Assurances and Certificates, Governor's State Planning Priorities
- SALCP Grant Guidelines, January 2015 Draft (PDF)

RESOLUTION NO. _____

**RESOLUTION OF THE BOARD OF SUPERVISORS OF
THE COUNTY OF SANTA CLARA
APPROVING THE APPLICATION FOR GRANT FUNDS FOR
THE CALIFORNIA SUSTAINABLE AGRICULTURAL LANDS CONSERVATION
PROGRAM FUNDED BY THE GREENHOUSE GAS REDUCTION FUND UNDER THE
GLOBAL WARMING SOLUTIONS ACT OF 2006**

WHEREAS, the Legislature and Governor of the State of California (“State”) have provided funds for the California Sustainable Agricultural Lands Conservation Program; and

WHEREAS, the State’s objectives with these funds are to reduce greenhouse gas emissions by creating more compact, infill development patterns, encouraging active transportation and mass transit usage, and protecting agricultural lands; and

WHEREAS, the California Department of Conservation has been delegated the responsibility for the administration of this grant program on behalf of the Strategic Growth Council, establishing necessary procedures; and

WHEREAS, said procedures for this program require a resolution certifying the approval of application(s) by the Applicant’s governing board before submission of said application(s) to the State; and

WHEREAS, the County of Santa Clara (“Applicant”), if selected, will enter into an agreement with the State of California to carry out development of the Sustainable Agricultural Land Strategy.

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Santa Clara, State of California hereby:

1. Approves the filing of an application for the Sustainable Agricultural Land Conservation Program Grant by the County Executive, or designee;
2. Certifies that the Applicant understands the assurances and certification in the application, and
3. Certifies that should the Applicant receive and accept the grant that the Applicant will have sufficient funds to develop the plan; or will secure the resources to do so, and
4. Certifies that the Applicant will work towards the Governor’s State Planning Priorities intended to promote equity, strengthen the economy, protect the environment, and promote public health and safety as included in Government Code Section 65041.1, and
5. Appoints the Director of the Department of Planning and Development, or designee, as agent to conduct all negotiations, execute and submit all documents including, but

not limited to applications, agreements, grant agreement, and payment requests, which may be necessary for development of the aforementioned plan.

PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Clara, State of California, on _____, 2015, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

DAVE CORTESE, President
Board of Supervisors

ATTEST:

LYNN REGADANZ
Clerk of the Board of Supervisors

APPROVED AS TO FORM AND LEGALITY:

ELIZABETH G. PIANCA
Deputy County Counsel

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